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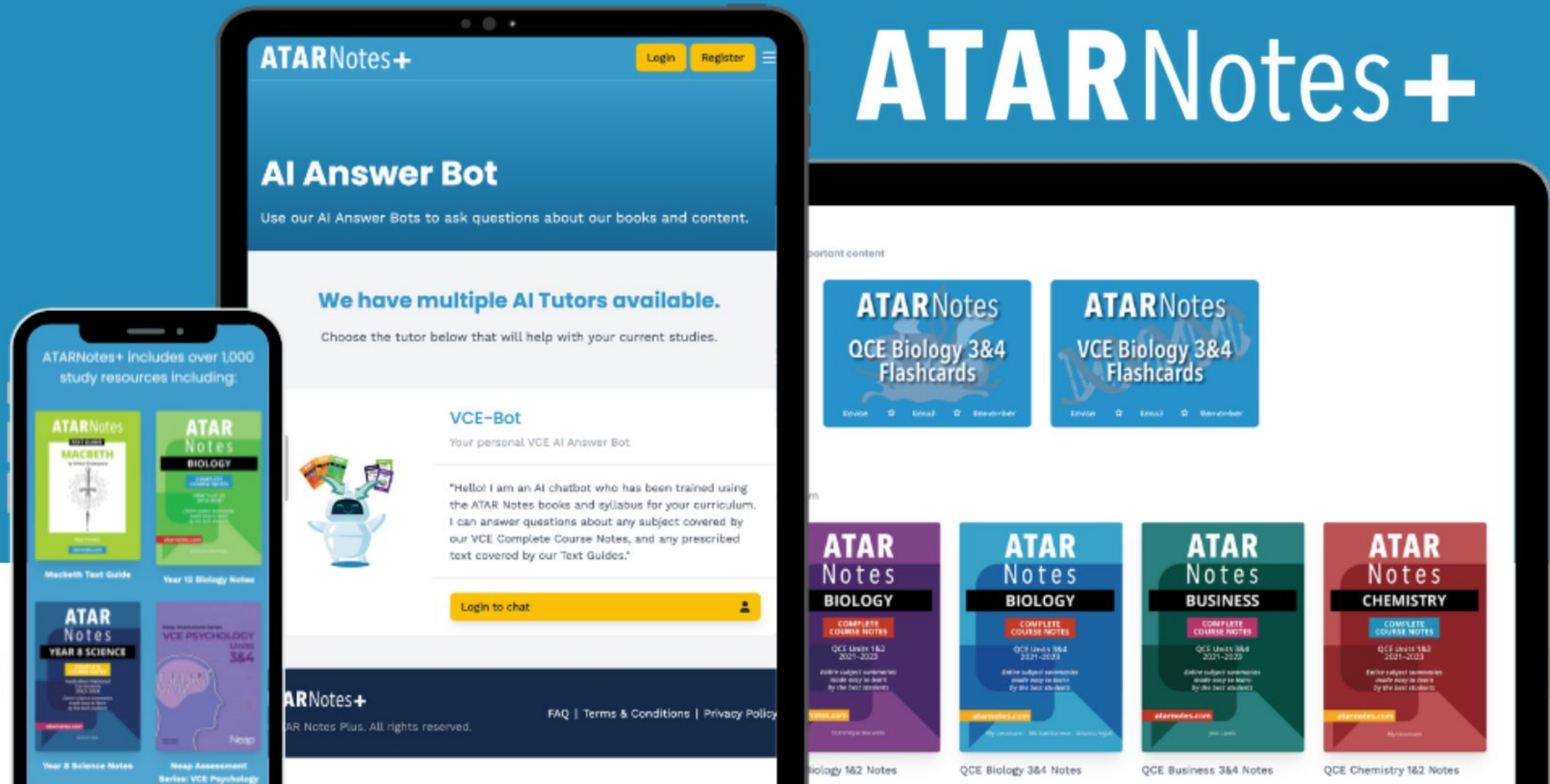
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ATARNotes

3&4 Business Management

ATARNotes January Lecture Series

Presented by:
Anandi Sharma

About me!

hello! my name's Anandi – I hope you're all enjoying your school holidays!
Here's a little about me:

Graduated in 2021 with an ATAR of 96.25.

Received a 44 in Business Management.

40+ ss in HHD, Further and English.

Studying Commerce at Melbourne Uni

Strong Animal lover ☺

TODAY

The lecture will be split into **2 blocks**

BLOCK 1	• Intro to Busman! • Unit 3 AOS 1: Business foundations

BLOCK 2	• Unit 3 AOS 2: Human Resource Management • Studying tips

Remember you have the lecture recording and slides do don't stress with taking down notes !

I'll be answering any questions you have in the live chat 😊

Welcome to Business Management!

Some key things for you to know:
- This subject is an opportunity to get a good jump on your ATAR!! (it carried me, that's for sure)
- The exam is 15 minutes reading time, 2 hours writing time
- This is the second year of the current study design so there are some minor changes (don't want to waste time doing prac questions which are unrelated to the current study design)

Unit 3 (25%)

- AOS 1 – Business foundations
- AOS 2 – Human Resource Management
- AOS 3 – Operations management

Unit 4 (25%)

- AOS 1 – Reviewing performance – the need for change
- AOS 2 – Implementing change

Exam (50%)

WHY SACS ARE IMPORTANT

Your study score will be between **1 and 50** and is based on your SAC scores and exam scores

Unit 3 (SACs)	E to A+
Unit 4 (SACs)	E to A+
Exam	E to A+
Study Score	1 to 50

Doing poorly on your SACs makes it very difficult to get a high study score!

The most important thing to know about scaling is that it's not important!

30

35

45

The further away you are from the median score, the less you'll be scaled down!

SCALING

The most important thing to know about scaling is that it's not important!

Business Management:

Raw **30** ☐ scales to a 26 (-4)

Raw **38** ☐ scales to a 36 (-2)

Raw **47** ☐ doesn't scale down!

Psychology:

Raw **30** ☐ scales to a 28 (-2)

Raw **40** ☐ scales to a 29 (-1)!

Don't stress about your subjects scaling down. Just try to run away from it by getting the highest raw score you can!

INTRO TO BUSMAN

If you did **not** complete Units 1 and 2

- You don't need anything from Units 1 and 2!

If you're in Year 11:

- If this is your only Year 12 subject, make it your focus!
- Remember that this will contribute to your ATAR

If you're in Year 12:

- Good luck!
- Heads up the Further exam is always the same day as Busman

Unit 3: Managing a business

In this unit students explore the key processes and considerations for managing a business efficiently and effectively to achieve business objectives. Students examine different types of businesses and their respective objectives and stakeholders. They investigate strategies to manage both staff and business operations to meet objectives, and develop an understanding of the complexity and challenge of managing businesses. Students compare theoretical perspectives with current practice through the use of contemporary Australian and global business case studies from the past four years.

Area of Study 1

Business foundations

This area of study introduces students to the key characteristics of businesses and their stakeholders. Students investigate potential conflicts between the different demands of stakeholders on a business. They examine corporate culture and a range of management styles and management skills that may be used when managing a business, and apply these to contemporary business case studies from the past four years.

Outcome 1

On completion of this unit the student should be able to analyse the key characteristics of businesses, their stakeholders, management styles and skills, and corporate culture.

To achieve this outcome the student will draw on key knowledge and key skills outlined in Area of Study 1.

Key knowledge

- types of businesses including sole traders, partnerships, private limited companies, public listed companies, social enterprises and government business enterprises
- business objectives including to make a profit, to increase market share, to improve efficiency, to improve effectiveness, to fulfil a market need, to fulfill a social need and to meet shareholder expectations
- stakeholders of businesses including owners, managers, employees, customers, suppliers and the general community
- characteristics of stakeholders of businesses including their interests and potential conflicts between stakeholders
- management styles including autocratic, persuasive, consultative, participative and laissez-faire
- the appropriateness of management styles in relation to the nature of the task, time, experience of employees and manager preference
- management skills including communication, delegation, planning, leadership, decision-making and interpersonal
- the relationship between management styles and management skills
- corporate culture, both official and real

Key skills

- identify, define, describe and apply business management concepts and terms
- interpret, discuss, compare and evaluate business information and ideas
- analyse case studies and contemporary examples of business management

Each Area of Study has a page in the study design that looks like this!

(You can access the study design on VCAA's website.)

THIS IS SO SO IMPORTANT- I liked to use this a checklist to ensure I was learning the correct material in school and at home.

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- Each Area of Study has one Outcome task attached to it
- These outcomes are SACs
- Key knowledge – the stuff that VCAA want you to know
- The pool of stuff from which VCAA can ask questions
- Your ULTIMATE guide
- Key skills are probably the most forgotten part of the study design
- They indicate to you *how* VCAA are allowed to ask questions – that is, what type of questions they can ask on particular topics
- Task words are sooooo important

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- Task words are sooooo important

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TASK WORDS

Knowing how to address task words is the key to correctly answering questions!

"**Compare** these things"	Provide similarities and differences
"**Discuss** this thing"	Provide advantages and disadvantages
"**Describe** these things"	Provide detail on its features
"**Evaluate** this thing"	Provide advantages and disadvantages, and a final opinion

UNIT 3 AOS 1

Unit 3 AOS 1: Business foundations

You can be asked to define, describe, apply, discuss/evaluate and know case studies for every topic!

Key skills

- identify, define, describe and apply business management concepts and terms
- interpret, discuss, compare and evaluate business information and ideas
- analyse case studies and contemporary examples of business management
- apply business management knowledge to practical and/or simulated business situations

On completion of this unit the student should be able to analyse the key characteristics of businesses, their stakeholders, management styles and skills, and corporate culture.

You'll need to evaluate management styles based on their **appropriateness**

analyse and **discuss** management styles, characteristics of business, corporate culture and

TYPES OF BUSINESSES

Sole trader

- **Owned** by a single individual
- Unlimited liability

Partnership

- **Owned** by **2-20** people
- Unlimited liability

Private limited company

- **1-50** (or 'up to 50') shareholders
- Limited liability
- Perpetuity
- Not listed on ASX

Public listed company

- **50+** shareholders
- Limited liability
- Perpetuity
- Listed on the ASX

Social enterprise

- Profits distributed to a community **cause**
- Not just 'the community' – a community **cause**!!!

Government business enterprise

- Profits returned to owner: government
- Main objective: provide a service

TYPES OF BUSINESSES

SOLE TRADER

ADVANTAGES	DISADVANTAGES
• Low cost of entry, less complex and less costly to operate • The owner has complete control over the business and can make all decisions • The owner retains all profits	• The owner has unlimited liability • The owner bares all losses, and the impact of these losses can't be shared with other owners • The owner has a burden of management – everything falls solely on them

TYPES OF BUSINESSES

UNLIMITED LIABILITY

VS

LIMITED LIABILITY

Business and owner(s) are considered the same legal entity

Therefore, both business and personal assets can be seized if the business cannot pay its debts.

Main disadvantage of sole traders and partnerships.

Business and owners are considered separate legal entities

Therefore, shareholders can only lose business assets and NOT personal assets if the business is unable to pay its debts.

Main advantage of companies.

TYPES OF BUSINESSES

PARTNERSHIP

ADVANTAGES	DISADVANTAGES
• Offers a greater access to capital as a start up (because multiple owners are contributing $$), as well as greater access to knowledge, skills, ideas and experience • Shared responsibility, workload and risk between partners • Much easier to set up in comparison to a company	• The owners have unlimited liability • Possible disputes may arise between partners about workload, strategy and money • Greater legal requirements in comparison to a sole trader, such as lodging a partnership tax return • Lacks perpetuity

TYPES OF BUSINESSES

PUBLIC AND PRIVATE COMPANIES

ADVANTAGES	DISADVANTAGES

• Limited liability
 	
• Perpetuity
    ☐ A company continues its life even if a director or shareholder leaves
	• Companies are much more complex and expensive to set up
	    ☐ They must register with the Australian Securities and Investments Commission (ASIC)
	
	• Companies experience a higher degree of government control and reporting requirements

Which one is correct?

A **social enterprise** is an organisation that operates like a standard business, but with the objective of distributing its profits back to a community cause.

A **social enterprise** is an organisation that operates like a standard business, but with the objective of distributing its profits back to the community.

One of these is **incorrect**.

Put your response in slido!

Prac Q

Practice Question

Outline **one** reason why a business may choose to operate as a partnership rather than a sole trader (2 marks).

VCAA Sample Response: A partnership is a structure that can consist of 2 to 20 people and combines the expertise and capital of these people. They also have unlimited liability, however, a business may choose to operate under this structure as it means there's more perpetuity for the business, in that even if one person leaves or passes away, the life of the business will still continue. If this were the case with a sole trader the business would no longer operate.

Which one is incorrect?

A **partnership** is a type of business that is owned by 2 to 20 people.

A **partnership** is a type of business that is owned and operated by 2 to 20 people.

A **partnership** is a type of business that is operated by 2 to 20 people.

One of these is **incorrect**.

A NOTICE!

1. A **partnership** is a type of business that is **owned** by 2 to 20 people.

2. A **partnership** is a type of business that is **owned and operated** by 2 to 20 people.

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One of these is **incorrect**.

When defining partnerships and sole traders, you must include the word "**owned**"!

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BUSINESS OBJECTIVES

goals that provide direction, incentive and purpose for management and employees within an organisation.

- To make a profit
- To increase market share
- To improve efficiency
- To improve effectiveness
- To fulfil a market need
- To fulfil a social need
- To meet shareholder expectations

A **stakeholder** is anyone with a **vested** interest in the performance and/or activities of a business.

We need to know:
- Their interests
- How their interests may conflict with each other

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STAKEHOLDERS

Stakeholder	Interested in . . .
Employees	• Stable employment • Good wages and working conditions
Management	• Good business performance (reflects positively)
Owners (shareholders)	• High dividends, successful business performance
Customers	• High quality goods/services at reasonable prices • Products to be marketed ethically
Creditors	• Good performance (paid on time)
Government	• Tax revenue, high employment
Society	• Low unemployment • Socially-responsible practices

STAKEHOLDERS

Stakeholder	CSR considerations
Employees	• Outplacement services • Good conditions and work-life balance (reduced stress)
Owners (shareholders)	• Transparency and openness
Customers	• High quality goods/services at reasonable prices • Ethical marketing
Creditors	• Paid promptly
Society/community	• Minimal environmental impacts • Help the domestic economy (local suppliers/employment)

Be careful!

Stakeholder? or **Shareholder?**

Read the question carefully!!!!

- So many amazing students drop marks because of silly mistakes like this
- Highlight key words and read over both the question and your answer
- Always leave time at the end of a SAC to screen for errors

Conflicts

As you can imagine, in a business, many stakeholders can have **competing interests**. These may result in **conflict**.

A common example:

- Employees desire higher wages, which is a cost of the business – meaning decreased profit. Shareholders want high dividends, which only come from high profits . . . and profits could be increased if employee wages were decreased = CONFLICT

Corporate culture is the **shared** set of beliefs, values and attitudes held by those within the business.

Real		Official
	O R	

Real

The **actual** and **established** shared set of beliefs, values and attitudes within an organisation, as reflected by workplace behaviours such as celebration of rituals, events, etc.

Official

The **stated** and **documented** outline of the beliefs, values and attitudes within an organisation, as reflected by documentation such as the business' mission and vision statements.

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CORPORATE CULTURE

What **strategies** can management use to develop a desired culture at an organisation?

- Management style
- Dress code
- Rituals
- Management setting the right example (role models)
- Recruiting and selecting the right staff that will support and uphold the desired culture
- Provide training
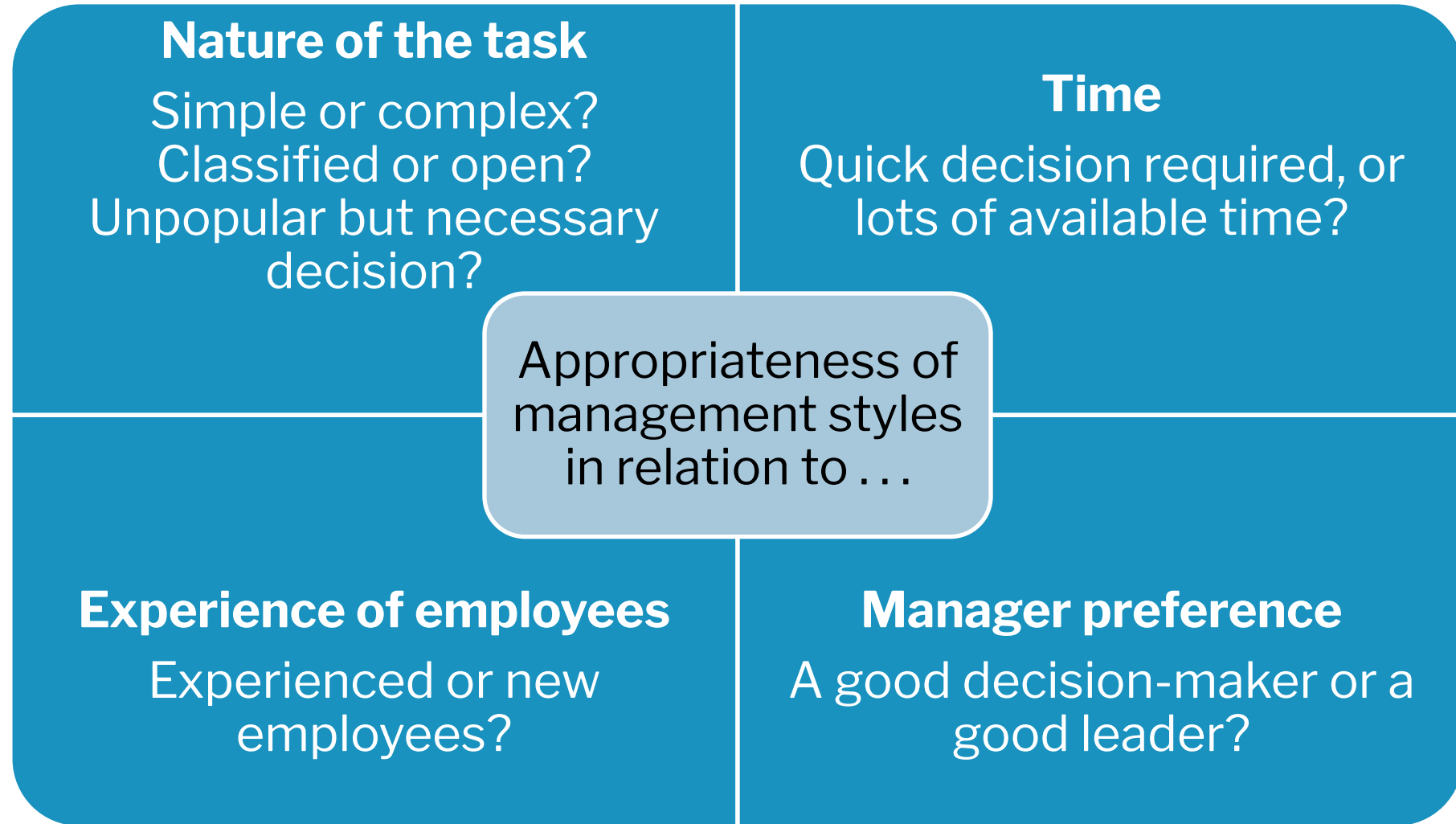- Reinforce desired culture through meetings

MANAGEMENT STYLES

MANAGEMENT STYLE	Definition	Direction of communication?	Decision-making power?
Autocratic	Communication is exclusively downwards and manager makes all decisions with no feedback	**One-way** Downwards	**Centralised** Manager makes the decision
Persuasive	Management makes the decision (centralised) and then 'sell' or **explain the reasons** of the decision to employees	**One-way** Downwards	**Centralised** Manager makes the decision
Consultative	Employees' ideas and opinions are considered before decisions are made – but the final decision is still made by the manager	**Two-way** Upwards and downwards	**Centralised** Manager makes the decision
Participative	Decision-making is shared between manager and employee and both parties engage in two-way communication	**Two-way** Upwards and downwards	**Decentralised** Management and employees have equal decision-making power
Laissez-faire	Decisions are completely left to the group; managers give up all decision-making responsibility	**Horizontal** Between employees	**Decentralised** Employees makes decisions together

MANAGEMENT STYLES – ADVANTAGES/DISADVANTAGES

Style	Advantages	Disadvantages
Autocratic	• Clear directions • Clear roles • Effective/efficient	• No employee input • Lower job satisfaction/culture
Persuasive	• See above • Can gain trust through persuasion	• See above • Justification may be patronizing
Consultative	• Variety of ideas • Increased ownership/interest	• More time-consuming • Ideas can be overlooked
Participative	• Positive working relationships • High motivation	• Decisions can be time-consuming • Weakened authority • Internal conflict
Laissez-faire	• High creativity • Sense of ownership • Open communication	• Complete loss of control • Focus on meeting objectives may be lost

MANAGEMENT STYLES

Nature of the task

Simple or complex?
Classified or open?
Unpopular but necessary decision?

Time

Quick decision required, or lots of available time?

Appropriateness of management styles in relation to . . .

Experience of employees

Experienced or new employees?

Manager preference

A good decision-maker or a good leader?
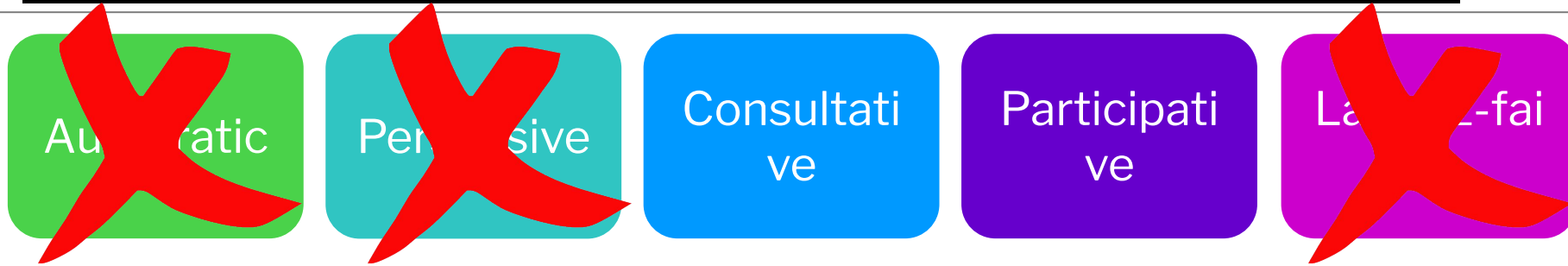
MANAGEMENT STYLES: ACTIVITY

Ellie is a manager of a travel agency. She has been its manager for only 2 months and wants to introduce a key change – the development of a new customer service policy that improves the quality of the service provided to customers, with the aim of reducing customer complaints. Ellie employees a team of five travel agents who each have more than 10 years of experience in the industry. Ellie does not believe the new policy to be urgent, but the sooner it is implemented at the travel agency, the better its performance.

Justify a management style that would be most appropriate for Ellie in this situation.

Use all four measurements of appropriateness to justify your chosen management style!
1.   Why does it suit Ellie in terms of **nature of the task**?
2.   Why does it suit Ellie in terms of **time**?
3.   Why does it suit Ellie in terms of **employee experience**?
4.   Why does it suit Ellie in terms of **manager preference**?

Au~~tomatic~~ Per~~suasive~~ Consultative Participative La~~issez-fai~~

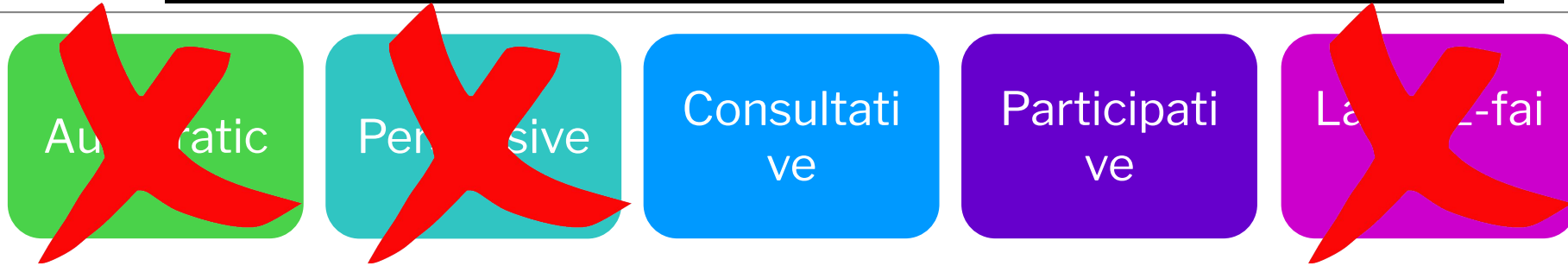## Which styles can we knock off first?

- Employees are experienced – we should use them!
- Inexperienced manager – probably shouldn't make the decision w/o help
- Not suitable for this industry/task

Autocratic   Persuasive   Consultative   Participative   Laissez-fai

Why consultative or participative?

Nature of the task: open/unclassified, would benefit from collaboration & detailed discussion

Time: enough for two-way communication

Experience of employees: more experienced than the manager, so Ellie should welcome their input and ideas (participative has the edge because employees can also help make final decision)

Manager preference: inexperienced manager

MANAGEMENT SKILLS

COMMUNICATION	the transfer of information between one person(s) to other person(s).
DELEGATION	the process of handing down tasks and responsibility to subordinates.
DECISION-MAKING	the ability to create alternative solutions to a problem, from which the most appropriate is selected.
PLANNING	involves deciding in advance the steps an organisation will take to reach an objective.
LEADING	influencing and motivating staff to achieve organisational objectives
INTERPERSONAL	involve the ability to relate and emphasise with others and build effective relationships

Note: you must be able to relate management skills to management styles!

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SKILLS & STYLES

Consider if a management style has two- or –one way **communication**, or if they used decentralised or centralised **decision making** to help you decide if it suits a skill or not

Persuasive: important skills	Consultative: important skills
• **Communicating** ▢ must clearly explain instructions & justification • **Delegating** ▢ must clearly articulate tasks to employees • **Decision-making** ▢ has all decision-making power and depends on own ideas	• **Leading** ▢ align everyone to a shared goal, motivate the team • **Interpersonal** ▢ manage debate with care, reject people's input empathetically • **Communicating** ▢ two-way – must speak well but also listen well

• the relationship between management styles and management skills

AOS 2 – Managing employees

Key knowledge

- the relationship between human resource management and business objectives
- key principles of the following theories of motivation: Hierarchy of Needs (Maslow), Goal Setting Theory (Locke and Latham) and the Four Drive Theory (Lawrence and Nohria)
- motivation strategies including performance-related pay, career advancement, investment in training, support strategies and sanction strategies
- advantages and disadvantages of motivation strategies and their effect on short- and long-term employee motivation
- training options including on-the-job and off-the-job training, and the advantages and disadvantages of each
- performance management strategies to achieve both business and employee objectives, including management by objectives, appraisals, self-evaluation and employee observation
- termination management including retirement, redundancy, resignation and dismissal, entitlement considerations and transition considerations
- the roles of participants in the workplace including human resource managers, employees, employer associations, unions and the Fair Work Commission
- awards and agreements as methods of determining wages and conditions of work
- an overview of the dispute resolution process including mediation and arbitration

TASK WORDS

Make sure you have a contemporary example to bring in with you to the exam!

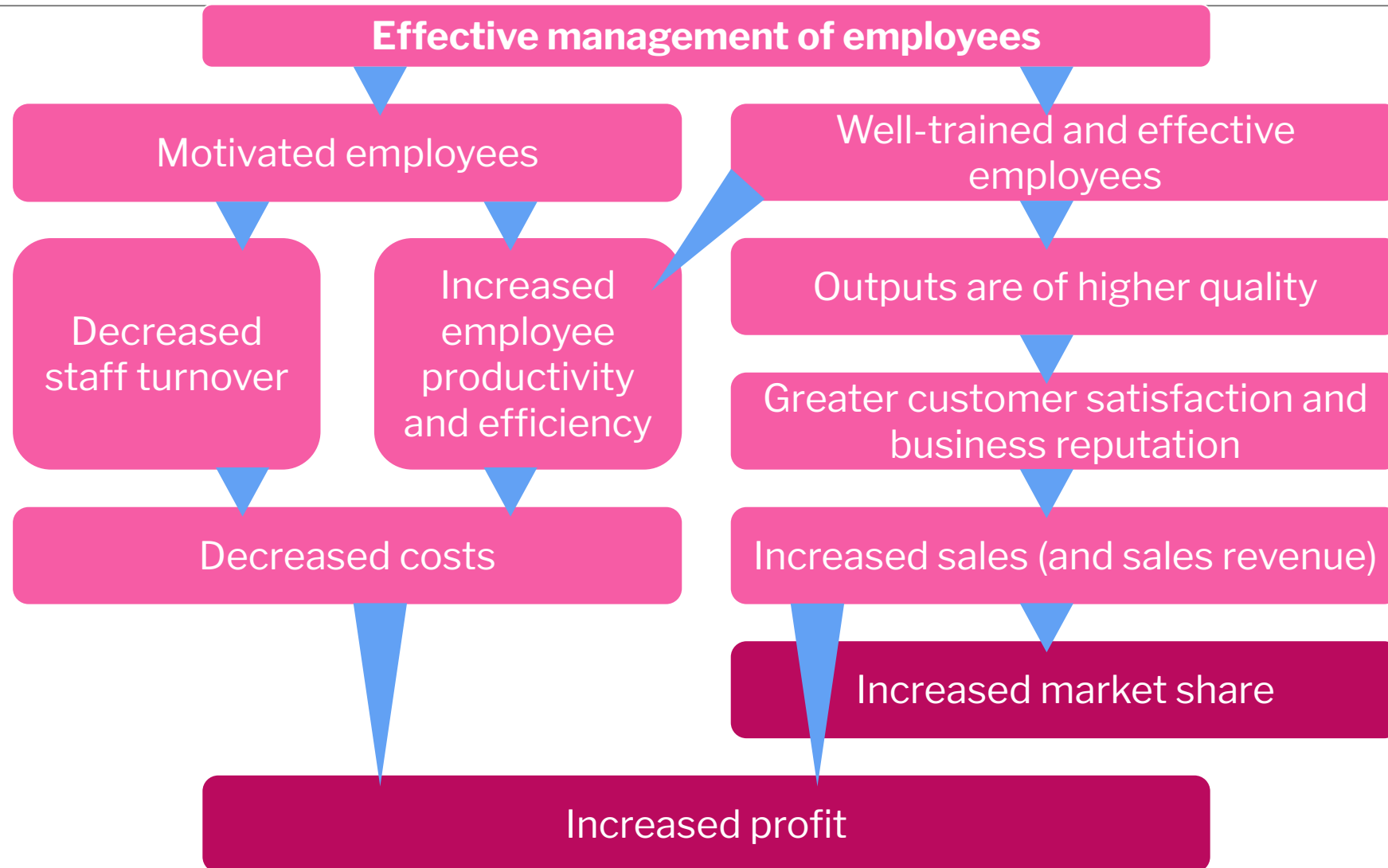This refers to motivation strategies and training options

Emphasis is put on examining and applying theories, so be most prepared to do this

Key skills

- identify, define, describe and apply business management concepts and terms
- interpret, discuss, compare and evaluate business information, theories and ideas
- analyse case studies and contemporary examples of business management
- apply business management knowledge to practical and/or simulated business situations
- propose, justify and evaluate management strategies to improve business performance

Anything in this AOS could theoretically be discussed or evaluated, so be prepared to do so

MANAGING EMPLOYEES & OBJECTIVES

Effective management of employees

Motivated employees

Well-trained and effective employees

Decreased staff turnover

Increased employee productivity and efficiency

Outputs are of higher quality

Greater customer satisfaction and business reputation

Decreased costs

Increased sales (and sales revenue)

Increased market share

Increased profit

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MOTIVATION THEORIES

Maslow's Hierarchy of Needs

- Human needs arranged on a hierarchy
- It is the unsatisfied need above a person in the hierarchy that is the source of motivation

Locke and Latham's Goal Setting Theory

- Motivation is derived from setting and attaining goals
- Goals must be challenging, set jointly, specific, monitored and given feedback

Lawrence and Nohria's Four Drive Theory

- Motivation is derived from 4 basic needs that act to drive people
- Drives to acquire, bond, learn and defend

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Key principles of the Hierarchy of Needs

- The hierarchy of needs is Maslow's representation of human needs in the form of a pyramid, ranging from the least fundamental at the bottom and most fundamental at the top

- An employee is placed on the hierarchy based on what needs they have already fulfilled

The employee is **motivated to achieve the unsatisfied need above them in the hierarchy** – once they achieve that need, they can move up the hierarchy!

MOTIVATION THEORIES: MASLOW

- Self actualisation
- Esteem needs
- Social needs
- Safety needs
- Physiological needs
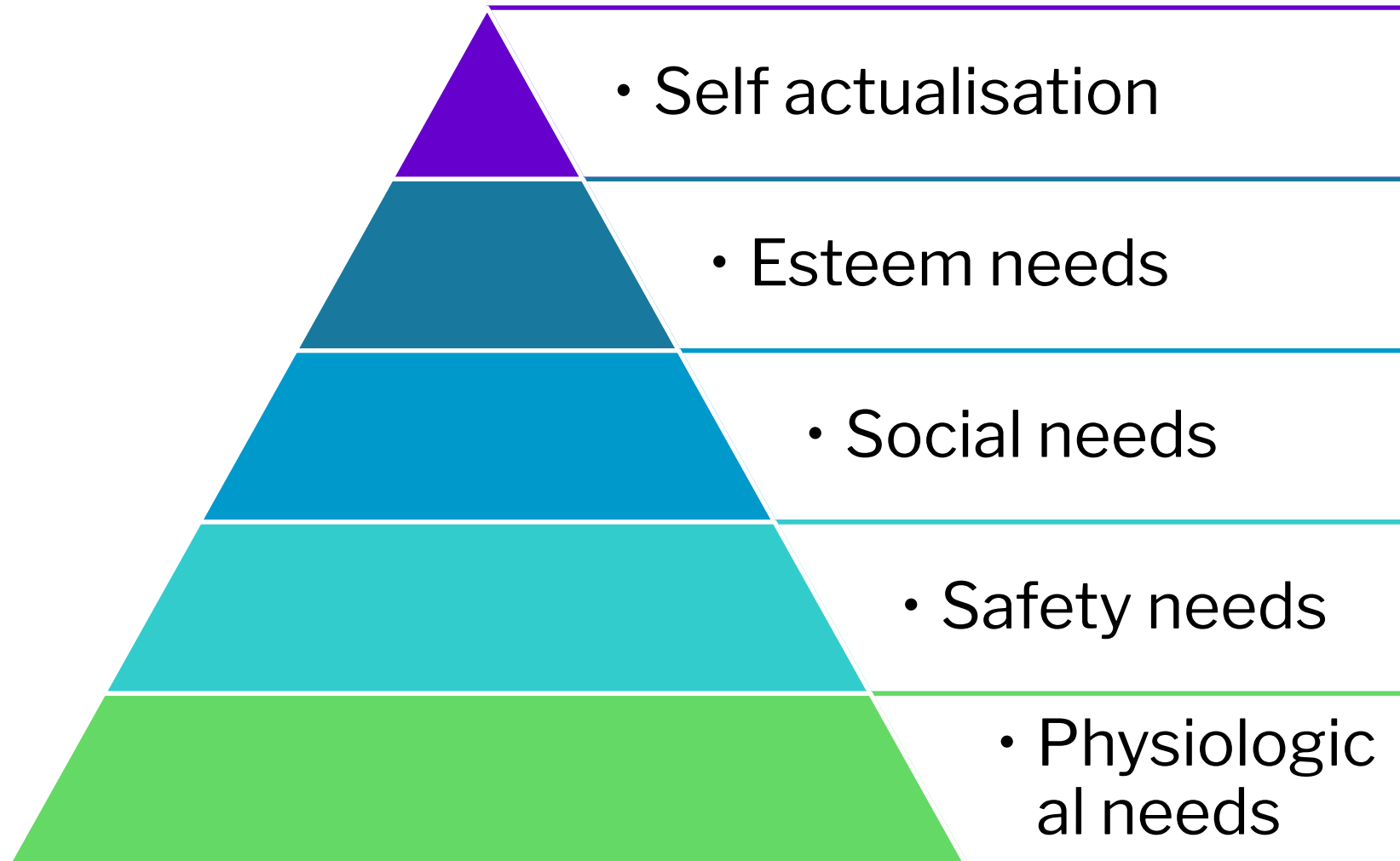
MOTIVATION THEORIES: MASLOW

|	
Physiological needs	Provide employees with **appropriate wages** that allow them to meet their physiological (water, food, shelter) needs
Safety needs	• Job security • Safe work environment via high OH&S standards
Social needs	• Friendly associates and collaborative tasks • A positive corporate culture (e.g. rituals)
Esteem needs	• Promotion, job titles, extra responsibilities • Access to prestigious facilities
Self actualisation	• Challenging and creative work • Opportunities for personal growth

Locke and Latham's Goal Setting theory proposes that motivation is derived from the setting and achievement of objectives.

These goals should have 5 key characteristics.

MOTIVATION THEORIES: L&L

Challenging	• Challenge requires hard work, demands motivation • Sense of achievement gained from achieving a challenging goal is drive to continue achieving goals
Set jointly	• Employee and manager develop goals together • Means goals are specific for employee and therefore more likely to motivate them
Specific	• Goals should be clearly defined and avoid vagueness • Means that the employee knows exactly where to direct their energy and what is expected of them
Monitored	• Manager is responsible for keeping track of employee's progress towards their goals over time • Support for employees who fall behind in their progress
Given feedback	• Not receiving recognition = demotivation • Allows for managers to advise employees on how to improve performance in the future
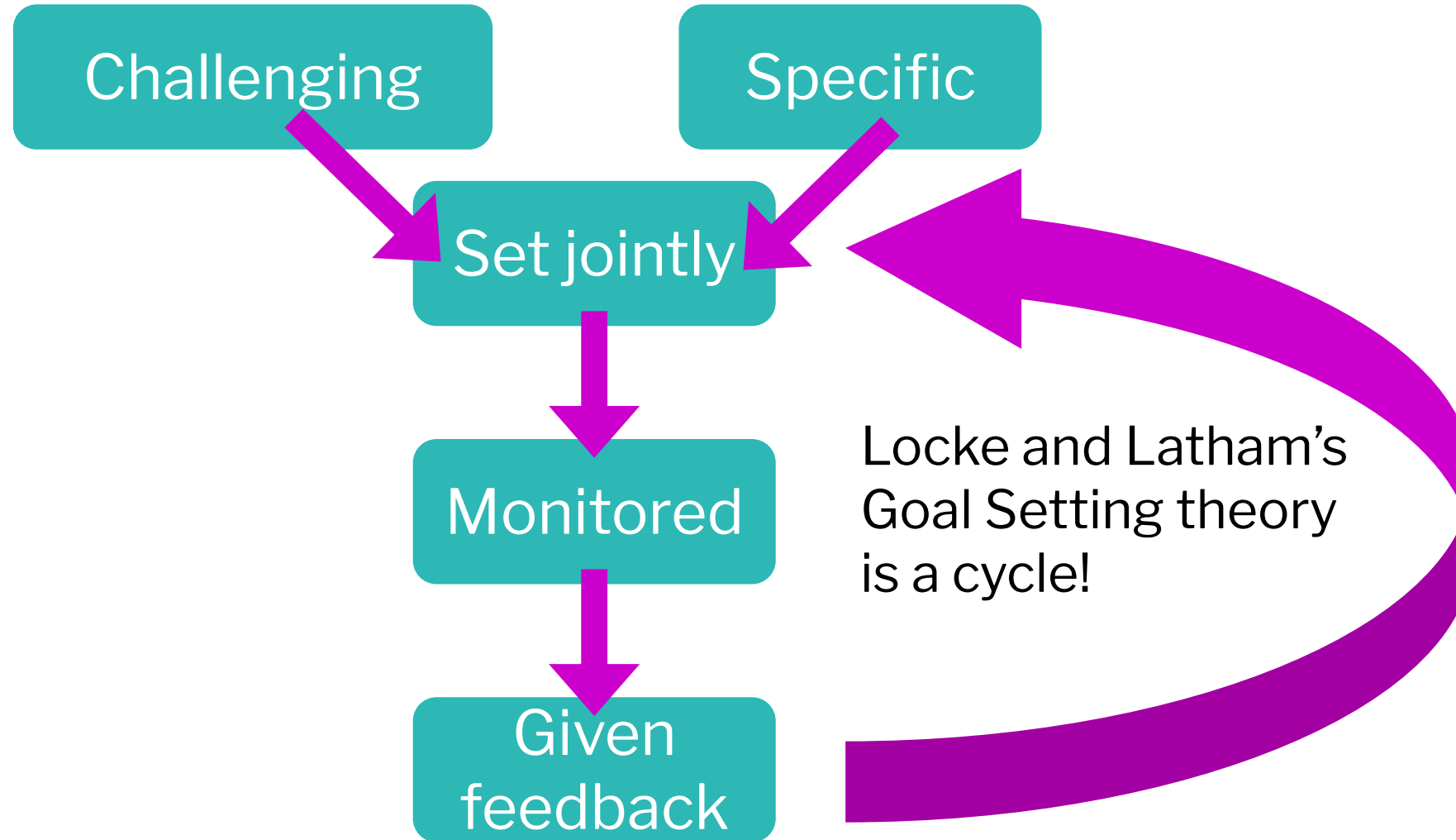
Lawrence and Nohria's Four Drive theory proposes that individuals are motivated to achieve four basic needs, known as drives.

- These drives must be met **simultaneously** and **in balance**

The drive to **acquire**	The drive to **bond**
The drive to **learn**	The drive to **defend**

What are the four drives?
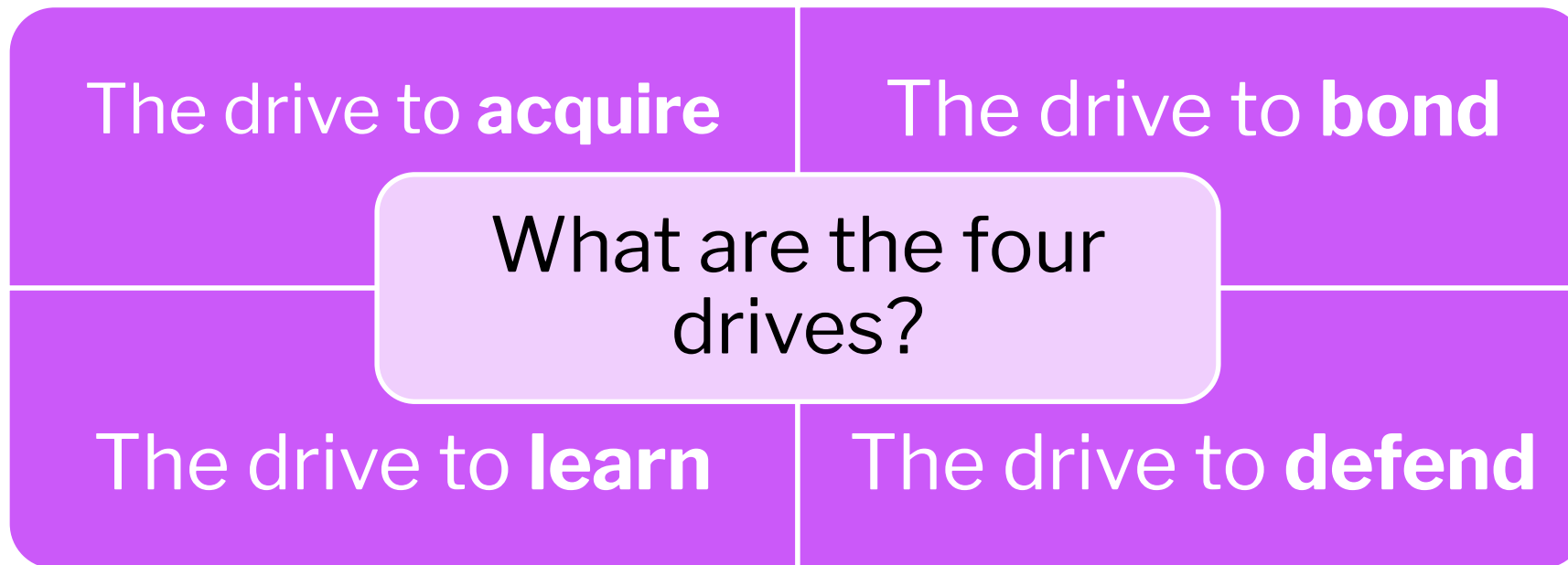
MOTIVATION THEORIES: L&N

Acquire
- Reward individual employees with praise, recognition and interesting assignments
- Done through performance management

Bond
- Encourage teamwork + collaborative tasks
- Celebratory events and rituals
- Maintain a culture of team spirit, openness and pride

Learn
- Ensure that tasks are interesting and challenging (i.e. tasks that *stimulate* employees)
- Offer training opportunities

Defend
- Participative management style
- Implement policies for dispute resolution
- Supportive workplace

MOTIVATION STRATEGIES

	SHORT-TERM MOTIVATION	LONG-TERM MOTIVATION
PERFORMANCE RELATED PAY	✔	✘
CAREER ADVANCEMENT	✔	✔
INVESTMENT IN TRAINING	✔	✔
SUPPORT	✔	✔
SANCTION	✔	✘

TRAINING

TYPE OF TRAINING	ADVANTAGES	DISADVANTAGES
On-the-job training	• Familiar with equipment • Cost-effective • Efficient (work while being trained) • Tailored to business • Mentor on hand for support after training	• Mentor may be ineffective • Poor habits passed on • Experienced employees taken away from their own duties

TRAINING

TYPE OF TRAINING	ADVANTAGES	DISADVANTAGES
Off-the-job training	• Specialists and experts • Less interruptions • Networking • Formal qualifications	• More expensive • Lost working time/output • Different equipment • May use qualifications to leave the business

PERFORMANCE MANAGEMENT

|	
MANAGEMENT BY OBJECTIVES	• A participative setting wherein a manager and an employee jointly determine a set of employee objectives/goals • At the end of the review period, performance is measured against these established objectives
PERFORMANCE APPRAISALS	They . . . 1. Measure how well an employee has performed their job 2. Provide feedback to employees 3. Establish plans to improve future performance
SELF-EVALUATION	• Self-evaluation is when an employee assesses or rates their own performance in a number of areas • Ratings are then compared to those completed by a manager and differences
EMPLOYEE OBSERVATION	• Employee observation involves the collection of feedback relating to an employee's performance from other employees, other managers, or customers

TERMINATION MANAGEMENT

Termination

Voluntary

Involuntary

Resignation

Retirement

Redundancy

Dismissal
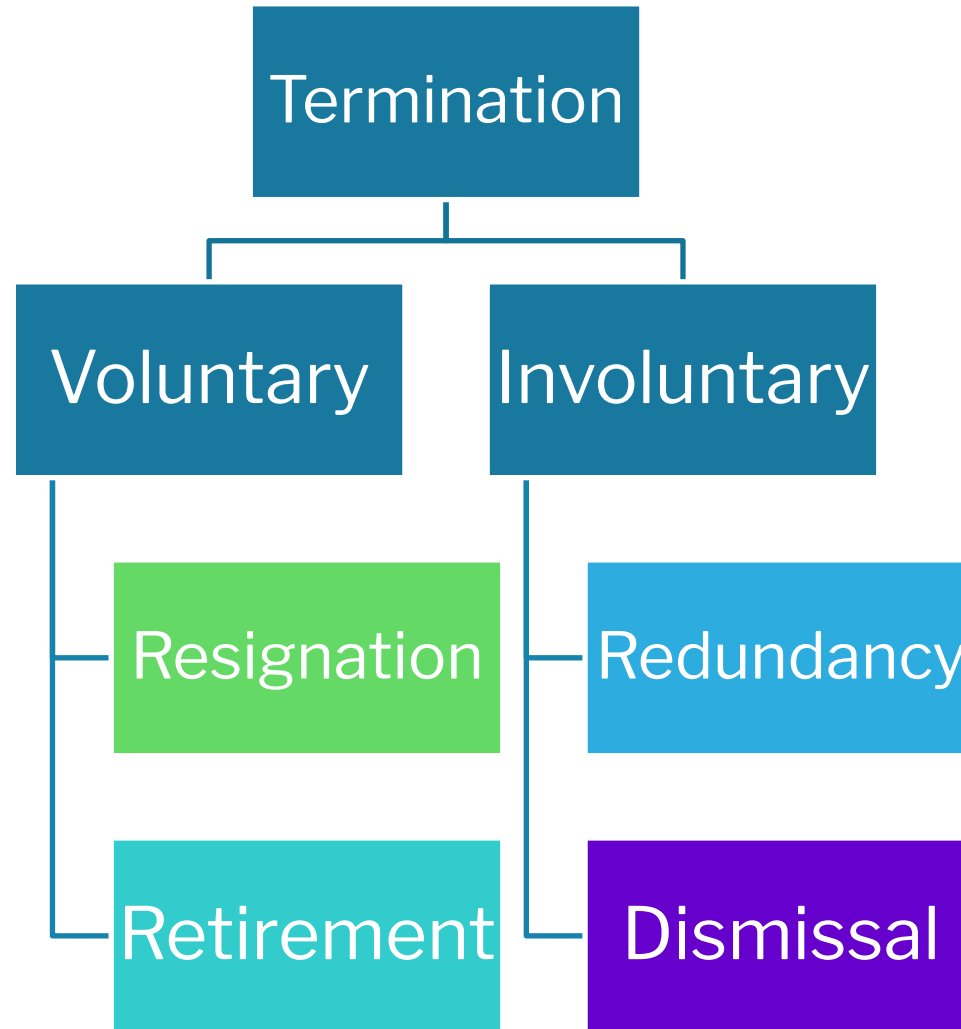
Resignation

Resignation occurs when an employee leaves the workplace, usually to go to another job.

- Requires a period of notice to be given
- An *exit interview* is recommended

Retirement

Retirement occurs when an employee decides to leave the paid workforce.

- Entitled to accrued entitlements (as with resignation)

Don't get these mixed up!

INVOLUNTARY TERMINATION

Redundancy

Redundancy is termination of employment by an employer because the employer no longer needs a particular job to be done or needs fewer people for the type of job – that is, **the job *no longer exists***.

Causes of redundancy:

- May be from a **restructuring** of the business
- May be due to **technology**
- May occur when the business must urgently save costs/is bankrupt

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Dismissal

Dismissal is involuntary termination due to incompetence or indiscipline

- Business must have taken disciplinary procedures before dismissal
- Not taken lightly

- If you are unfairly dismissed, there are a number of steps you can take with Fair Work Australia to restore your employment rights

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ENTITLEMENTS

| Legal entitlement	What is it?
Redundancy pay	• Employees receive redundancy pay based on their continuous period of service with their employer • An employee's base rate of pay is used to calculate redundancy payment
Notice of termination	• Redundancy: Must provide with written notice of the day of termination • Resignation: Employee must alert employer of the date they intend to resign
Payment of accrued long service leave	• Applies to all types of termination, so long as the employee continuously worked at the business for at least 7 years

PARTICIPANTS IN THE WORKPLACE

HR managers → Employees → Employer associations → Unions → The FWC
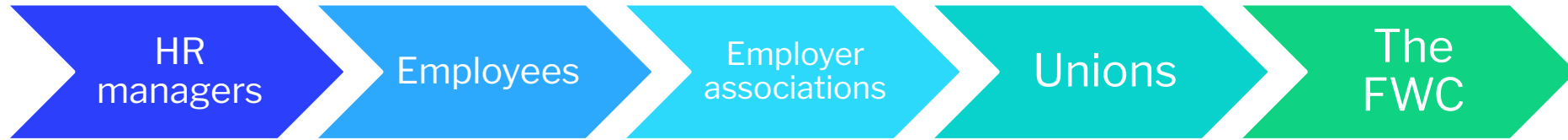
What are the **roles** of these participants in the workplace?

How do they contribute to workplace relations?

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| HR managers | Employees | Employer associations | Unions | The FWC |

Roles of human resource managers

- To operate as the bridge between employees and management by balancing out their interests and representing those interests during negotiations
  - To be aware of award rates and advise on awards
  - To negotiate pay and conditions
  - To plan meetings between employees and management
  - To assist in resolving disputes
  - To stay up to date with legislative changes in the area
 - To draw up job descriptions and contracts where necessary

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PARTICIPANTS IN THE WORKPLACE

| HR managers | Employees | Employer associations | Unions | The FWC |

Roles of employees

- To prioritise themselves and negotiate with management when necessary, usually for better pay/wages and/or working conditions.

- These demands may be at odds with management's desire for business growth

| HR managers | Employees | Employer associations | Unions | The FWC |
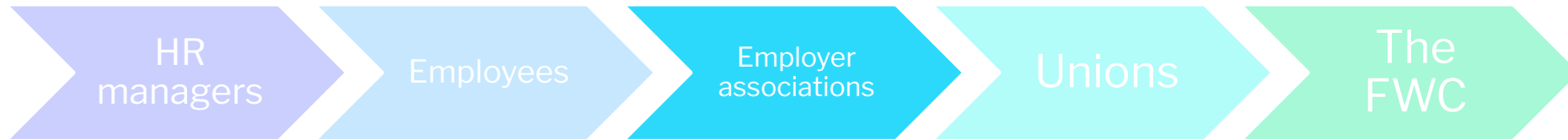
Roles of employer associations

Employer associations are groups of employers who unite to promote a common interest in workplace relations issues.

- They will . . .
    - Represent employers in the collective bargaining process
    - Advise employers on their rights and responsibilities
    - Lobby to the government in support of employers

PARTICIPANTS IN THE WORKPLACE

| HR managers | Employees | Employer associations | Unions | The FWC |

Roles of unions

Trade unions are organisations of employees formed to represent and protect the rights of workers in a particular industry.

- They will …
  - Negotiate wages for their members during the collective bargaining process
  - Provide support and advice to members about workers' rights
  - Organise industrial action on behalf of members if necessary
  - Provide assistance and support to individual employees

PARTICIPANTS IN THE WORKPLACE

HR managers → Employees → Employer associations → Unions → The FWC

Roles of the Fair Work Commission

The Fair Work Commission is Australia's independent national workplace relations tribunal.

- They are responsible for . . .
  - Creating and maintaining awards that dictate minimum wages and working conditions for specific industries
  - Providing assistance with the resolution of workplace disputes
  - Acting as an arbitrator (can also act as a mediator)
  - Ensuring good faith during enterprise bargaining
  - Signing off on workplace enterprise agreements

DETERMINING WAGES/CONDITIONS

How are workplace wages and conditions *determined*?

1.   **Industry-wide awards**

2. Enterprise agreements

AWARDS AND AGREEMENTS

An **award** is a legally binding minimum requirement for wages and conditions of a specific industry.

"**legally binding**"
- They are **determined** and reviewed by the Fair Work Commission every 4 years

"**minimum requirement**"
- Must surpass NES
- 'Safety net'

"**a specific industry**"
- All industries have their own awards – currently 122 exist

An **enterprise agreement** is a written collective agreement made between employer and employees at a workplace.
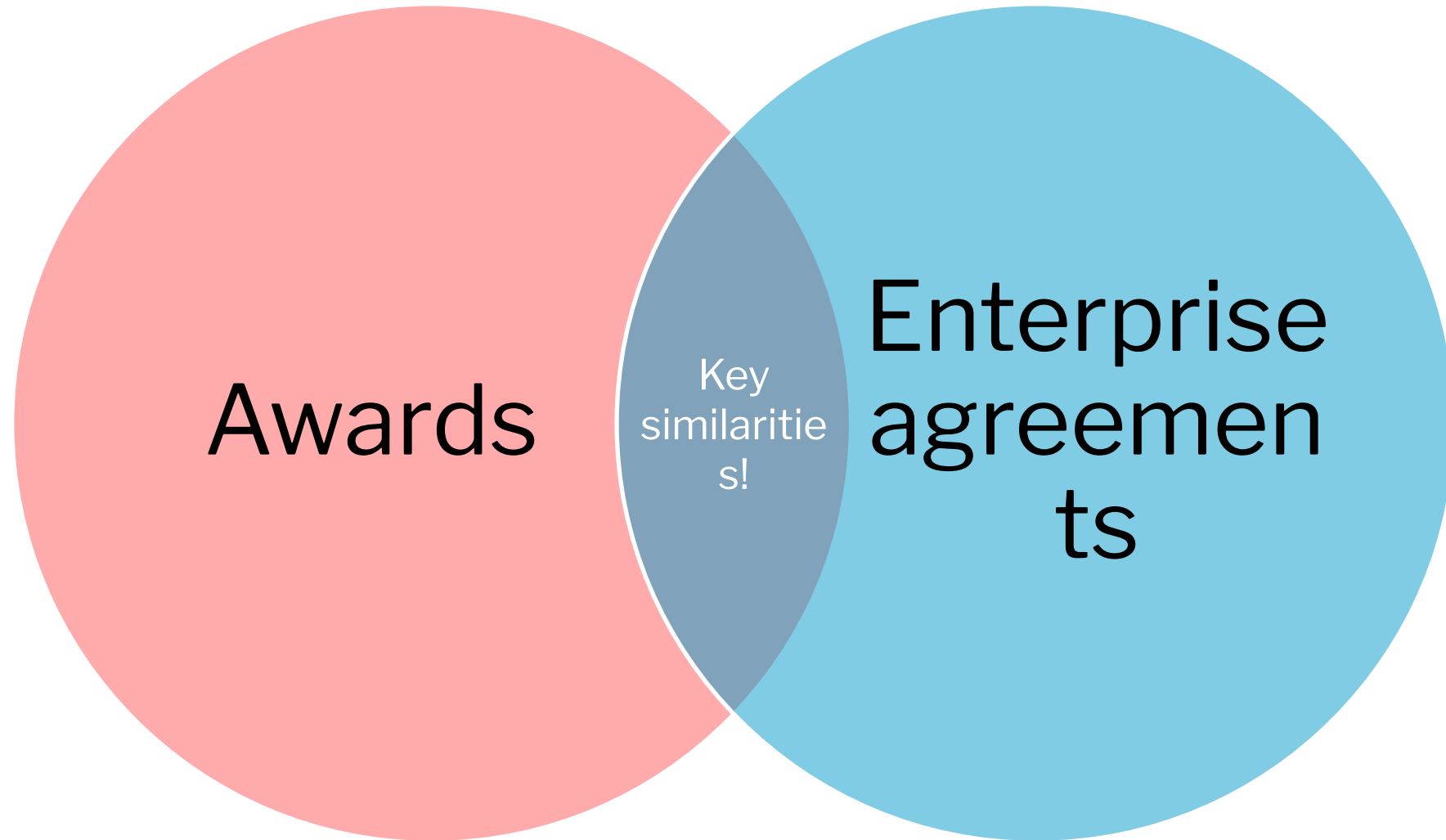
"**between an employer and employee at a workplace**"
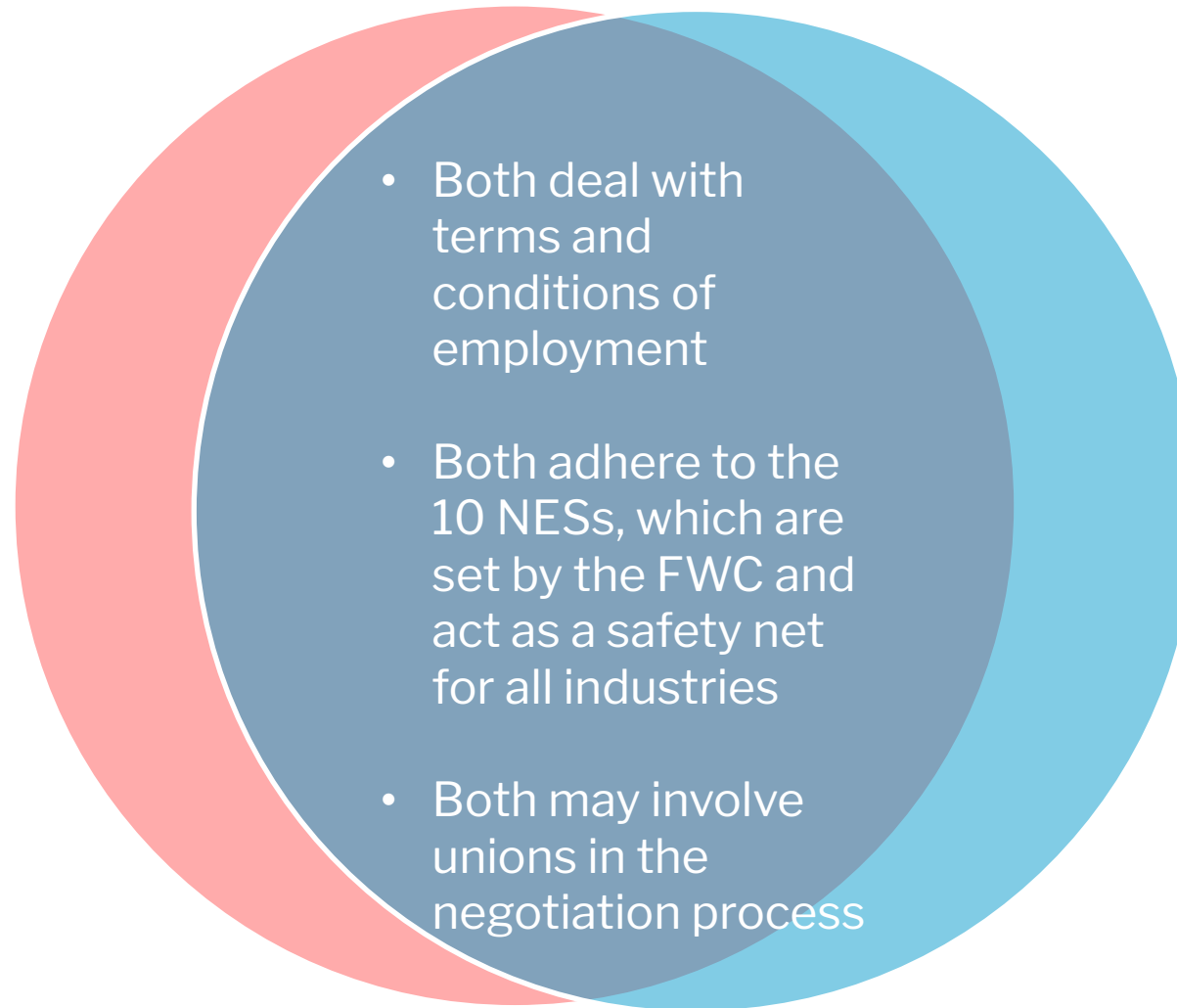- Apply to a **single** workplace

They . . .
- Are negotiated during the enterprise bargaining period
- Must be **approved** by the Fair Work Commission
  - BOOT, grievance procedure, meet NESs, expiry date

Awards

Key similaritie s!

Enterprise agreemen ts

AWARDS VS. AGREEMENTS

- Both deal with terms and conditions of employment

- Both adhere to the 10 NESs, which are set by the FWC and act as a safety net for all industries

- Both may involve unions in the negotiation process

AWARDS VS. AGREEMENTS

Awards

Enterprise agreements

Key differences!

1. **Awards** are set by the FWC for an <u>entire industry</u>, whereas an **agreement** applies to <u>a single organisation</u>

2. **Enterprise agreements** provide for incentives linked to productivity; **awards** do not

3. The FWC <u>determines</u> **awards**, but only <u>approves</u> **enterprise agreements**

4. Disputes with **agreements** are usually resolved in the organisation, whereas disputes with **awards** are resolved through the FWC

DISPUTE RESOLUTION

VCAA want us to know about 2 dispute resolution processes:

1. Mediation

2. Arbitration

In the past there was also grievance procedures however this is not listed in the new study design- therefore you are not required to know it!

DISPUTE RESOLUTION

MEDIATION		ARBITRATION	
Mediation is a formal method of dispute resolution whereby an independent third party **facilitates** the discussion and parties **come to their own resolution**.		Arbitration is a method of dispute resolution whereby both parties put their cases forward to an **independent third party**, who then makes the final, **legally binding** decision.	
ADVANTAGES	**DISADVANTAGES**	**ADVANTAGES**	**DISADVANTAGES**
• The mediator may be effective in aiding negotiation, resulting in a resolution • Both parties are more likely to be satisfied, as each has to agree to the established path forward • Less expensive and formal	• Mediation may fail • Is not legally binding	• A resolution will be achieved • Legally enforceable, long-term resolution • Impartial and fair	• Parties may not be content with the outcome, resulting in a poor corporate culture • More costly and formal

TASK WORDS

- **Define**
- **Describe**
- **Apply**
- **Explain**
- **Compare**
- **Discuss**
- **Evaluate**
- **Analyse**
- **Distinguish between**
- **Propose**
- **Justify**

Understanding task words is the absolute key to Busman.

You'll learn them over time, but start as early as possible!

SAC TIPS

- Get a good sleep the night before

- Try to finish all notetaking at least 1 week before the SAC and spent the remaining time doing practice questions

- Always plan your longer responses

- Use all of your reading or writing time

- Don't talk to your friends after the exam/sac

SAC TIPS

Discuss partnerships as a type of business. (4 marks)

One advantage is that partnerships are easy to set up. Another advantage is that they offer greater access to capital as a start up.

However, one disadvantage of a partnership is that it has unlimited liability. Another disadvantage is that partnerships lack perpetuity.

How many marks out of 4 should this answer receive?

Probably 1 out of 4. Zero if your examiner or teacher is in a bad mood.

SAC TIPS

Discuss partnerships as a type of business. (4 marks)

One advantage is that partnerships are easy to set up, ensuring higher time efficiency.

Another advantage is that they offer greater access to capital as a start up because multiple owners are contributing their finances.

However, one disadvantage of a partnership is that it has unlimited liability. Unlimited liability is when owners and the business are considered separate legal entities; subsequently, if the business falls into debt, both personal and business assets can be seized to pay off that debt.

Another disadvantage is that partnerships lack perpetuity, which refers to the ability of a business to survive into the long-term, because they can easily dissolve if partners no longer wish to work together.

FINAL ADVICE

- Have a good **note taking strategy** and keep it up the whole year
  - You don't want to be taking notes during exam period
  - **DON'T write notes on your laptop!!!!!!!!**

- Suck up to your teacher
  - They're the one marking your stuff!!

- Get on top of definitions early & **don't fall behind** in your notes
  - Catching up is a nightmare

- Ask every question you have!!!

- H A N D W R I T I NG !!
  - ☐ IF YOUR HANDWRITING IS BAD, FIX IT NOW
  - ☐ You will get a 0. ZERO!!!!!

- Answer questions fully

- ALWAYS highlight the task words!!!!
  - ☐ **Identify**, **describe** and **evaluate** the type of business being run. (8 marks).
    - o **Identify** – 1 mark
    - o **Describe** – 2 marks
    - o **Evaluate** – 5 marks

ATARNotes

QUESTIONS?